

## Message Text

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44

ACTION EB-11

INFO OCT-01 EUR-25 ADP-00 AGR-20 CEA-02 CIAE-00 COME-00

DODE-00 FRB-02 H-02 INR-10 INT-08 L-03 LAB-06 NSAE-00

NSC-10 PA-03 RSC-01 AID-20 CIEP-02 SS-15 STR-08

TAR-02 TRSE-00 USIA-12 PRS-01 SAL-01 OMB-01 RSR-01

GAC-01 /168 W

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R 091605 Z APR 73

FM AMEMBASSY BONN

TO SECSTATE WASHDC 4369

INFO AMCONSUL FRANKFURT

USMISSION BERLIN

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E. O. 11652: N/ A

TAGS: ETRD, GW, GE

SUBJECT: DOCUMENTATION FOR INNER- GERMAN TRADE

REF: A. WOOTTON/NELSON TELECON; B. BONN 9764 (1971);

C. BONN 13827 (1971)

1. SUMMARY: TO OBTAIN THE FOLLOWING INFORMATION CONCERNING REQUIRED DOCUMENTATION FOR GDR GOODS ENTERING THE FRG, CONGEN FRANKFURT APPROACHED THE BUNDESAMT FUER GEWERBLICHE WIRTSCHAFT AND FRG CUSTOMS AUTHORITIES WHILE THE EMBASSY SPOKE WITH INNER- GERMAN TRADE OFFICIALS IN THE ECONOMICS MINISTRY. END SUMMARY

2. WEST GERMAN LAW REQUIRES THAT ALL GDR GOODS SOLD THROUGH THE INNER- GERMAN TRADE CHANNEL MUST HAVE AN EAST GERMAN ORIGIN. IN PRACTICE, HOWEVER, SPECIAL CERTIFICATES OF ORIGIN DO NOT NORMALLY ACCOMPANY THE GOODS. CUSTOMS OFFICIALS ARE CHARGED WITH THE RESPONSIBILITY OF ASSURING THE ORIGIN OF THE PRODUCTS

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AND CAN INSIST ON DOCUMENTATION, BUT USUALLY DO NOT DO SO SINCE THEY HAVE ACCURATE INFORMATION ON THE TYPES AND QUANTITIES OF GOODS PRODUCED BY THE GDR. IN ADDITION, WEST GERMAN FIRMS COMPLAIN LOUDLY WHEN THEY SUSPECT THEY ARE BEING PUT AT A DISADVANTAGE BY OTHER EAST EUROPEAN GOODS USING THE INNER- GERMAN TRADE CONDUIT; SUCH OUTCRIES LEAD TO IMMEDIATE INVESTIGATIONS.

3. FOR A FEW EXCEPTIONAL PRODUCTS, THE CUSTOMS OFFICIALS DO DEMAND ORIGIN CERTIFICATES AS A MATTER OF COURSE. THE MOST IMPORTANT IN TERMS OF VALUE AND SENSITIVITY IS GDR STEEL IMPORTED INTO THE FRG. SINCE 1971, WHEN WEST GERMAN OFFICIALS DISCOVERED ROMANIAN AND BULGARIAN STEEL ATTEMPTING TO PASS AS A GDR PRODUCT, THE FRG HAS REQUIRED THAT ALL STEEL ORDERS BE ACCOMPANIED BY ORIGIN DOCUMENTATION FROM THE PRODUCERS ( REFTELS B AND C). WE UNDERSTAND THAT GDR CERTIFICATES OF ORIGIN ARE ALSO ROUTINELY REQUIRED FOR A FEW SPECIFIC AGRICULTURAL PRODUCTS.

4. PRIOR TO DECEMBER 14, 1972, WEST GERMAN LAW REQUIREE ORIGIN DOCUMENTATION ON ALL GDR GOODS TRANSITING THE FRG FOR DELIVERY IN AN EC MEMBER STATE OR IN ANOTHER THIRD COUNTRY. THIS REQUIREMENT HAS BEEN REVOKED, BUT THE FRG CONTINUES TO SUPPLY SPECIAL DOCUMENTATION FOR TRANSIT GOODS WHEN SUCH IS REQUIRED BY THE RECIPIENT COUNTRY, SUCH AS FRANCE. THUS, FRANCE AND ANY OTHER EC COUNTRY SO INCLINED CAN MONITOR THE AMOUNT OF GDR GOODS THEY RECEIVE VIA THE INNER- GERMAN TRADE CHANNEL.

5. GDR GOODS SOLD IN THE FRG ON THE WHOLESALE AND RETAIL LEVELS DO NOT CARRY MARKINGS REVEALING THEIR EAST GERMAN ORIGIN. CONSEQUENTLY, THE AVERAGE FRG CONSUMER DOES NOT KNOW WHEN HE BUYS AN EAST GERMAN GOOD, UNLESS HE IS FAMILIAR WITH EAST GERMAN BRAND NAMES.

6. CUSTOMS AUTHORITIES INFORMED CONGEN FRANKFURT THAT AN INCREASING ( BUT UNQUANTIFIED) AMOUNT OF GDR GOODS ARE ENTERING THE FRG FROM THIRD COUNTRY MARKETS, SUCH AS SWITZERLAND. PRESUMABLY, THE GDR ELECTS IN LIMITED OFFICIAL USE

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THESE CASES TO FOREGO THE TARIFF AND TAX FREE PROVISIONS

OF INNER- GERMAN TRADE IN ORDER TO EARN HARD CURRENCY  
FOR ITS GOODS. IF THEY WERE SOLD DIRECT, THE BUNDES-  
BANK WOULD CREDIT THE AMOUNT OF THE GOODS ON THE  
INTEREST- FREE SWING ACCOUNT AGAINST THE GDR' S  
CONTINUOUS DEFICIT.  
HILLENBRAND

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\*\*\* Current Classification \*\*\* LIMITED OFFICIAL USE

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